GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Bank Balances – Transfer of Balances in all accounts of various agencies and Government Departments which are implementing Government Programmes to the P D Accounts – Orders – Issued.

FINANCE (CM) DEPARTMENT

G.O Ms. No.196 Dt.14.10.2016

ORDER:

The State Government releases amounts to various implementing agencies and Departments to implement various schemes. Funds are released as matching share to Central Government grants in centrally assisted State Plan (CASP) schemes. Implementing agencies often deposit the releases of the State and Central Government in Bank Accounts, keeping them idle till they actually utilise them. This leads to parking of funds. In some cases, the implementing agencies are not in a position to utilise the entire releases and they get converted as fixed deposits. Over a period of time, they earn interest. It is observed very often that these Agencies/Departments utilise interest amount for purchases which are not controlled by the legislative control through the budget. A study revealed that various Government Departments and agencies have 70924 bank accounts in 12 banks with an amount of Rs. 19610.76 Cr. This is roughly equal to the borrowing of the State Government to meet its requirements over 7% interest rate. The interest earned by them is lower than the interest paid by Government on borrowings. Thus, while huge public resources are lying idle in the bank, Government is forced to borrow on interest to meet the cost of implementing various Government programs for welfare of the poor and development of the new State.

With a view to correct this anomaly, and ensure effective utilisation of Government funds, Government after careful consideration hereby order that all the agencies and Government Departments shall withdraw all the balances which are in the form of the fixed/term Deposit or Savings bank or Current Account and deposit them in the PD Accounts. In

the case of Departments who cannot do so because of Central Government directions or any other specific reasons; they shall take specific written permission of the Finance Department on a case by case basis. Such account shall be maintained in the form of savings/current account with the permission from the State Government with the barest minimum balances required for their day to day administration. In case of non-existence of PD Accounts, permission will be accorded to open PD Accounts.

All bank branches shall make available to the Finance Department a full list of Bank accounts held in the name of Government Departments and Agencies and reveal the amounts available therein. The Chief Managers of all banks shall appoint a senior officer as Liaison Officer to attend the meetings of the Finance Department and provide progress report periodically.

All the secretariat Departments are requested to issue suitable instructions to the PD Administrators to carry out above orders scrupulously. Non adherence to the above instructions would be viewed as mis appropriation of funds and attracting action against the PD Administrators concerned under AP CCA Rules.

(BY ORDER AND IN THE NAME OF GOVERNOR OF ANDHRA PRADESH)

AJEYA KALLAM
SPECIAL CHIEF SECRETARY TO GOERNMENT

To
All the Departments of Secretariat
All the Heads of the Departments
All the PD Administrators
The Director of Treasuries and Accounts with a request to make suitable arrangements enabling the agencies to open suitable PD Accounts.

//FORWARDED:: BY ORDER//

SECTION OFFICER